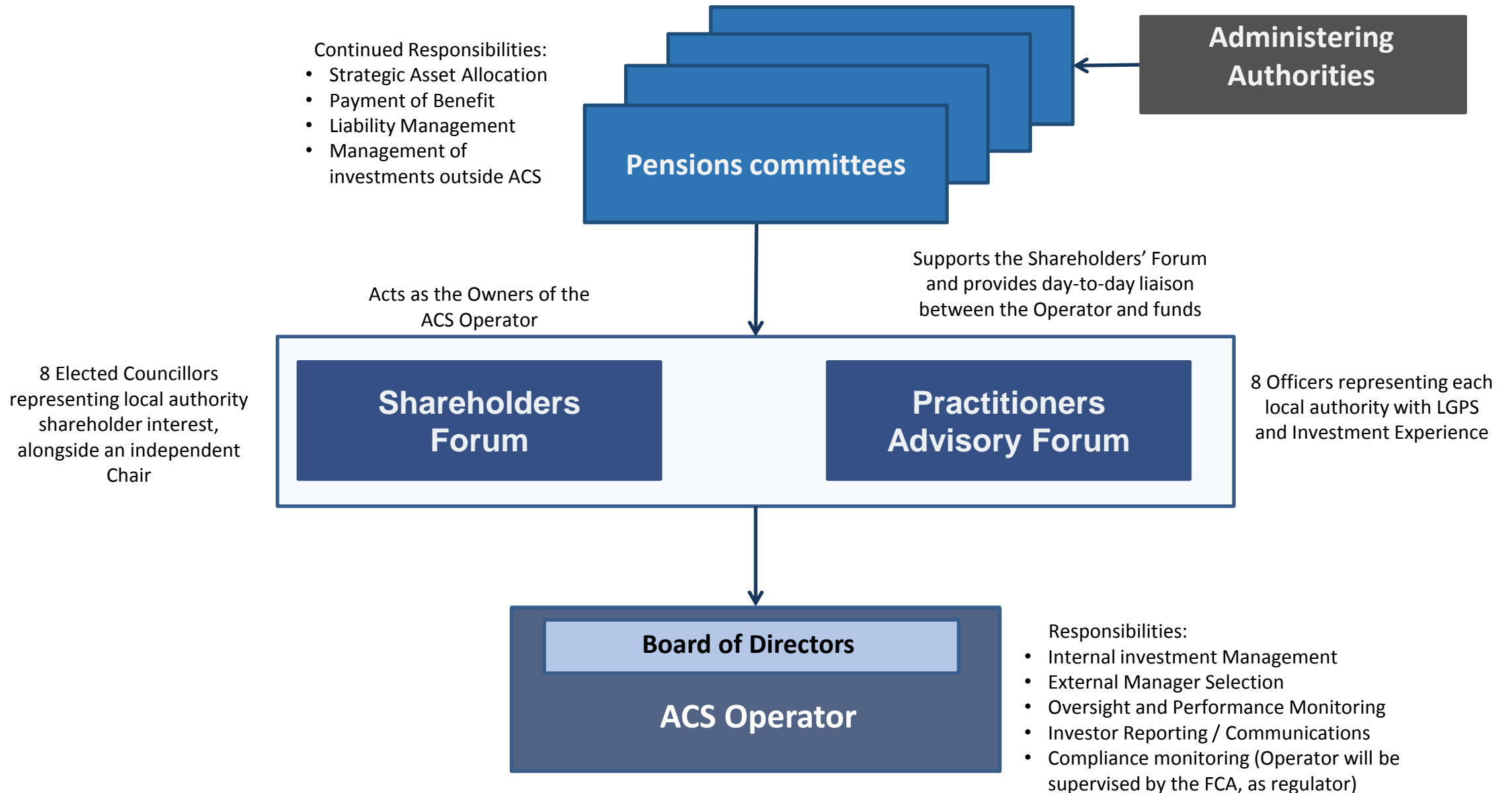
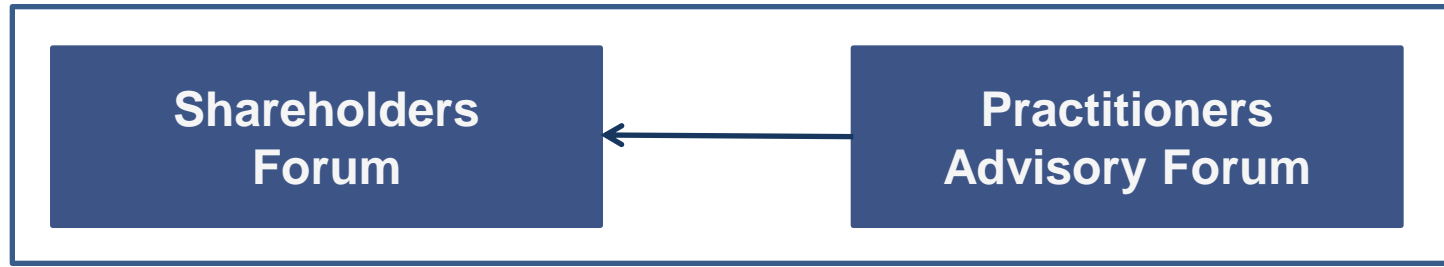


LGPS Central Governance Structures

Supervisory body/Ownership structure



Supervisory body/Ownership structure



Act as 'owners' of the Operator. Oversees that the Operator is run in the interests of shareholders by holding final approval over strategic decisions.

Comprised of 8 Elected Councillors representing local authority shareholder interest, alongside an independent Chair

Meet formally on a quarterly basis

- **Example Shareholder powers under the agreement**

- Appoint / remove Directors of the Company
- Approve Annual Business Plan
- Approve Annual Budget (fee model / cost base)
- Approval of Executive Pay (feeding through the Operator's Board usually through Remuneration sub-committee)
- Approve share capital changes to meet regulatory capital requirements
- Approve Significant Transactions (e.g. introduction of new members to the pool)
- Approval / determination of pool exit terms including notice period / exit treatment.
- Approval of RI/ESG policy framework

Support the Shareholders' Forum. Provide day-to-day liaison between the local authority pension funds and the operator.

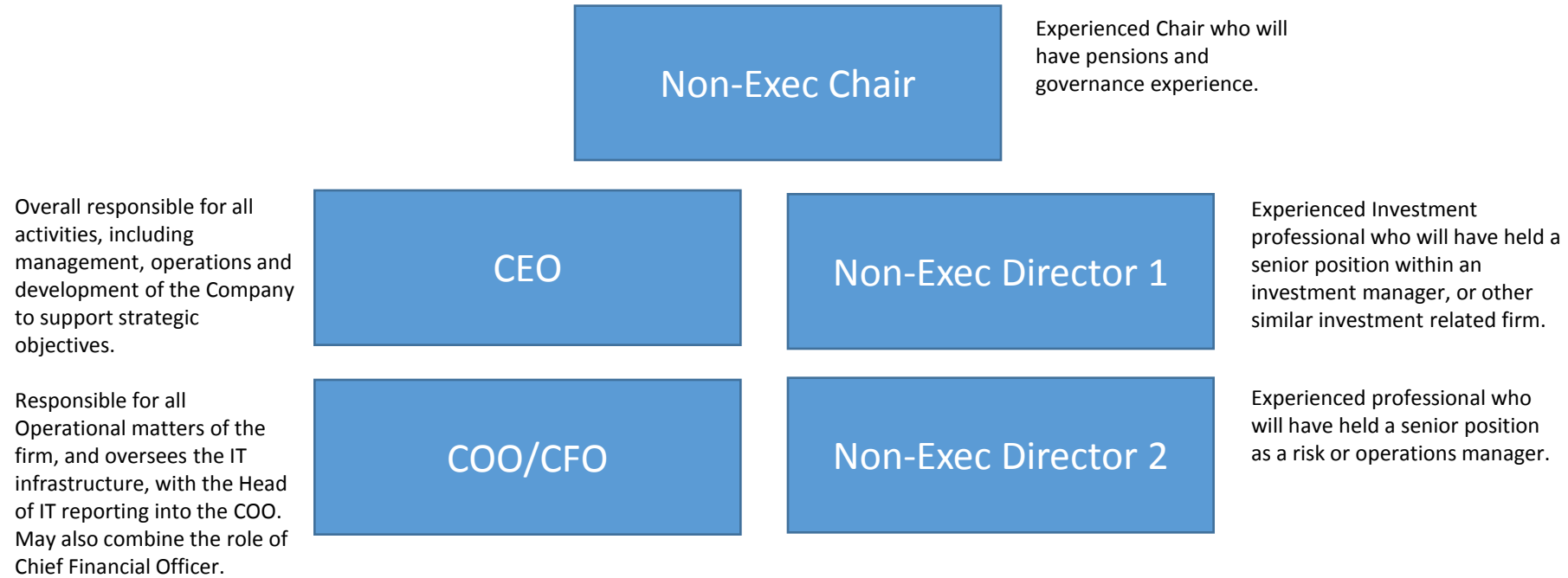
Comprised of 8 Officers representing each local authority with LGPS and Investment Experience

Meet formally on a quarterly basis

- **Example Practitioner activities**

- Provide guidance and advice to the Shareholders Forum
- Provide investment guidance to the Operator
- Review and feedback on Investment Performance
- Provide advice to the Operator on the strategic investment direction

Operator - Board Composition



* The Head of Risk, Head of Compliance, Chief Investment Officer and Head of IT would also be expected to be members of the senior management team

Operator and Pool Control Environment

